



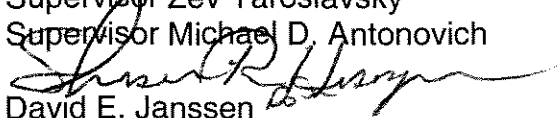
County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

July 29, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: 
David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FUNDING ALTERNATIVES TO THE HALF-CENT SALES TAX MEASURE ON THE NOVEMBER 2, 2004 BALLOT FOR THE SHERIFF'S DEPARTMENT (ITEM 67 BOARD AGENDA, AUGUST 3, 2004)

On July 20, 2004, on motion by Supervisor Antonovich, the Board instructed the Chief Administrative Office to report back in two weeks with an analysis of alternative funding from existing Los Angeles County (County) revenues which could be allocated to the Sheriff's Department in lieu of the unincorporated area amount generated from the half-cent sales tax measure on the November 2, 2004 ballot.

BACKGROUND

The Board, on July 20, 2004, adopted an ordinance to place a half-cent sales tax measure on the November 2, 2004 ballot. If approved by voters, the half-cent sales tax is expected to generate \$560.0 million in additional revenue, of which, the Sheriff would receive an estimated \$44.9 million for the unincorporated area.

ALTERNATIVES

As part of its commitment under the terms of the 1115 Waiver Extension Agreement, the County is providing an additional \$40.0 million in net County Cost (NCC) to the Department of Health Services (DHS) in 2004-05. One alternative is to meet this County commitment through the use of the County's Tobacco Settlement funds, which would then, in turn, make available the \$40.0 million in NCC for other purposes. However, the Tobacco Settlement funds in reserve are one-time funds and should not

Each Supervisor
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be used for ongoing expenses. In addition, DHS anticipates using the Tobacco Settlement reserve to help offset their projected deficit, which is expected to begin in 2006-07.

During the recently adopted budget for fiscal year 2004-05, your Board added discretionary funding as follows:

- Public Library - \$8.8 million;
- Sheriff's Department - \$39.0 million; and
- Other miscellaneous allocations to various departments.

Any other available funds would be generated through fund balance in September, which is a one-time funding source.

If you have any questions, please contact me, or your staff may contact Yolanda Reyes, of my staff, at (213) 974-0841.

DEJ:SH:DL
RG:YR:ljp

c: Executive Officer, Board of Supervisors
Sheriff's Department
Department of Health Services

alternative funding.bm